

AMENDED IN ASSEMBLY MAY 3, 2005

AMENDED IN ASSEMBLY APRIL 20, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1674

Introduced by Assembly Members Richman and Nation

February 22, 2005

An act to add Section 1342.2 to the Health and Safety Code, relating to managed health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 1674, as amended, Richman. Center for Quality Medicine.

Existing law provides for licensing and regulation of health care service plans by the Department of Managed Health Care.

This bill would require the department to contract with an academic institution or public policy research institution for the establishment of a Center for Quality Medicine, to conduct research on various issues related to medical treatment data and to develop evidence-based guidelines and best practices using medical and scientific evidence. The center would be funded ~~by an annual appropriation of at least \$25 million in the Budget Act from revenues derived from the insurer gross premiums tax~~ *subject to appropriation of funds in the Budget Act or subject to the availability of private funds.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known, and may be cited as,
- 2 the Center for Quality Medicine Act.

1 SEC. 2. Section 1342.2 is added to the Health and Safety
2 Code, to read:

3 1342.2. (a) The department shall contract with an academic
4 institution or public policy research institution for the
5 establishment of a Center for Quality Medicine.

6 (b) The Center for Quality Medicine shall have a board of
7 directors to oversee the center and advance the mission of the
8 center.

9 (c) The Center for Quality Medicine shall conduct research
10 regarding medical treatment data and shall develop
11 evidence-based guidelines and best practices using medical and
12 scientific evidence. The research shall include, but need not be
13 limited to, recommendations for benefit design, evaluation of
14 cost effectiveness for new technologies and pharmaceuticals,
15 quality measurements by providers and health plans, and the
16 standardization of quality reporting. The center shall widely
17 disseminate its findings, including a database of quality
18 measurements.

19 (d) The department shall utilize the Center for Quality
20 Medicine's findings in regulating health care service plans and
21 health care providers.

22 (e) Funding for the Center for Quality Medicine shall be
23 ~~provided through the Budget Act in an amount not less than~~
24 ~~twenty-five million dollars (\$25,000,000) annually, through an~~
25 ~~appropriation of revenues derived from the gross premiums taxes~~
26 ~~received by the state pursuant to Section 28 of Article XIII of the~~
27 ~~California Constitution.~~ *subject to appropriation of funds in the*
28 *Budget Act or subject to the availability of private funds.*